

**INCOMING
CABLEGRAM**

DEPARTMENT OF STATE

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CONTROL: 14240
REC'D: AUGUST 17, 1963
9:57 AM

FROM: RIO DE JANEIRO

NO.: TOAID 272, AUGUST 17, 10 AM

SUBJECT: MEETING WITH AFP OFFICIALS

DISTRIBUTION

ACTION

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KUBISH AND TOP USAID STAFF MET YESTERDAY WITH DIOGO CASPAR AND NEWLY APPOINTED COORDINATOR COCAP, FRANCISCO DE ASSIZ GRIECO. THESE TWO GOB OFFICIALS NOW HAVE PRINCIPAL RESPONSIBILITY FOR COORDINATING AFP MATTERS. THIS WAS FIRST OF SERIES SUCH MEETINGS TO PROVIDE THEM MUCH NEEDED EDUCATION ON AID ACTIVITIES AND ASSISTANCE.

DISCUSSED REPORTED PROPOSAL MADE IN CONGRESS TO FOREIGN RELATIONS COMMITTEE THAT IT INVESTIGATE AFP IN BRAZIL, INCLUDING EXAMINATION QUESTION WHETHER OR NOT BRAZILIAN CONGRESS SHOULD RATIFY CHARTER OF PUNTA DEL ESTE. GASPAR THOUGHT THIS A POLITICALLY MOTIVATED MORE BY CERTAIN ANTI-US ELEMENT AND THAT IT UNLIKELY PRESENT SERIOUS PROBLEM OUR WORKING RELATIONSHIPS.

GRIECO INDICATED GOB INSISTENCE ON BNDE HANDLING ALL PL 480 LOANS IS POLICY MATTER ON WHICH THEY HAVE NO FLEXIBILITY. WE RESTATED OUR FIRM UNWILLINGNESS NOT GIVE MONOPOLY TO BNDE FOR USE THESE FUNDS.

AT FURTHER MEETING WITH GRIECO TODAY HE INDICATED WOULD BE AT LEAST THREE MONTHS BEFORE HE MOVED TO BRASILIA, ALTHOUGH OUR NEXT MEETING SCHEDULED FOR BRASILIA WITH GRIECO AND GASPAR EARLY NEXT WEEK.

GORDON

REE

OTHER AGENCY

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AID-5-36 (10-62)

PRINTED 10-62

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